

Warning

You may not represent to the public that you are a representative or give the appearance that you are a representative of the U.S. Department of Housing and Urban Development (HUD), the Federal Housing Administration (FHA), or the U.S. Government.

False claims for payment, forgery, false statements to HUD, and other acts are subject to criminal and/or civil prosecution with the possibility of imprisonment, fines, or triple damages of the amount of the claim. HUD will prosecute to the fullest extent of the law anyone who abuses the mortgage insurance premium refund system. Up to 10 years imprisonment and up to a \$10,000 fine are the penalties under various Federal statutes.

The use of the mail to commit a fraud against HUD may be a violation of the mail fraud statute 18 USC 1341 and punishable by up to 5 years imprisonment and up to a \$1,000 fine.

Report any fraudulent acts or abuses to the HUD HOTLINE at 1-800-347-3735 (toll-free).



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING- FEDERAL HOUSING COMMISSIONER

HUD does not sponsor a Third Party Tracer Program. Third-party tracers are independent business enterprises involved in locating homeowners who may be entitled to a refund. These firms attempt to match a homeowner with the government funds owed, as part of a private relationship that the tracer is attempting to establish. It is up to the third-party tracer to develop their client relationship and to ensure receipt of their fee. HUD is not a party to any agreement, financial or otherwise, between third-party tracers and their clients.

Under the Freedom of Information Act (FOIA) of 1986, HUD makes available to the public a cumulative listing of unpaid Distributive Shares and Mortgage Insurance Premium refunds for Mutual Mortgage Insurance mortgages that remain unpaid for a minimum of 2 years. Some entrepreneurs have developed commercial ventures using the listing provided by HUD. HUD neither encourages nor discourages the efforts of third party tracers as long as they do not misrepresent themselves or the process to the public.

HUD provides the Mortgage Insurance Refund List to the public on the FOIA website, so that the State Listings can be easily downloaded at no cost to the requestor from the FOIA Frequently Requested Materials webpage.

When a third party tracer successfully finds an eligible homeowner, the tracer is instructed to submit a Tracer Found Case form to HUD. HUD responds by sending the homeowner an Application for Premium Refund or Distributive Share Payment (form HUD-27050-B) for the homeowner to complete and return to HUD along with the necessary supporting documentation.

In order to safe guard the privacy of the homeowner, it is HUD's current policy to deal directly with the homeowner regarding homeowner refunds. Therefore, HUD (i) mails the Form-HUD 27050-B application to the homeowner, (ii) requires the application be signed by the homeowner, and (iii) issues the refund check in the homeowner's name.

Since the FOIA listings contain public information, HUD cannot prevent individuals or organizations from utilizing this data for their own financial interest. However, HUD neither promotes the commercial use of these listings nor reimburses third-party tracers for any losses that they incur in locating claimants. HUD neither encourages nor discourages the efforts of third-party tracers, as long as the tracers do not misrepresent themselves or the process to the public.

HUD attempts to notify each unpaid claimant of their FHA refund for a period of two years after HUD is notified of the mortgage insurance termination. After the two year hold, any unpaid FHA refund information may be made available under FOIA. In order to process the Tracer Found Cases as expeditiously as possible, please follow the posted procedures.

Silas C. Vaughn, Jr.
Chief, Disbursements and Customer
Service Branch

THIRD-PARTY TRACER PROCEDURES

The U.S. Department of Housing and Urban Development (HUD) is **NOT** a party to any agreements, financial or otherwise, between the tracer and the claimant(s).

Third-Party Tracers must comply with the following procedures when reporting a claimant (owner of record at the time the mortgage was paid in full or legal heir) due a premium refund or distributive share payment for the U.S. Department of Housing and Urban Development's (HUD) Mutual Mortgage Insurance Fund.

STEP 1

A. Tracers must submit all of the mandatory claimant information to HUD on the attached Tracer Found Case (TFC) form. (This form may be reproduced provided the general format is the same.) Incomplete forms will not be processed.

Send form to:

U.S. Department of Housing and Urban Development
Disbursements and Customer Services Branch
P.O. Box 44372
Washington, DC 20026-4372

B. Claimant(s) must certify that they have not received a premium refund or distributive share payment from HUD in connection with the FHA-insured mortgage payoff.

C. Claimant(s) shall authorize only one tracer to submit the TFC form on their behalf. HUD will accept **ONLY ONE** TFC form for each unpaid case.

STEP 2

A. HUD will mail the form HUD-27050-B Application for Premium Refund or Distributive Share to the claimant(s) at the mailing address provided. The form HUD-27050-B will **NOT** be mailed to the tracer due to widespread abuse of the program.

B. Claimant(s) completes form HUD-27050-B and returns it by mail along with proof of ownership. Acceptable proof of ownership is one of the following: a **COPY** of the letter from the lender showing the mortgage is paid in full; a **COPY** of the cancelled **original** Deed of Trust Note marked **paid in full**; a **COPY** of the original Mortgage or Deed of Trust Note; or a **COPY** of the Quit Claim Deed or other deeds. If applicable, enclose supporting documentation showing entitlement such as a divorce decree with the property settlement and/or death certificate. All documents submitted must be properly recorded and executed.

C. Only claimant(s) who were the owner(s) of record of the mortgaged property at the time the FHA-insured mortgage was paid in full or their legal heir may be entitled to a premium refund or distributive share payment. All claimant(s) shown on the proof of ownership must sign form HUD-27050-B or otherwise provide an explanation in the remarks item (9) column.

STEP 3

A. Upon receipt of a completed form HUD-27050-B and acceptable proof of ownership, HUD will review and if appropriate, authorize the case for payment. The U.S. Department of the Treasury will disburse the check.

B. The check is **NEVER** made payable to the tracer. The check is always made payable to the claimant(s) and sent to the mailing address provided on the form HUD-27050-B.

Allow 120 days from receipt by HUD of the form HUD-27050-B for payment processing before making an inquiry. Tracers must submit inquiries or payment status request(s) in writing, accompanied by a release under the Privacy Act signed by the claimant(s). Questions may be directed to HUD's Support Service Center at 1-800-697-6967.